

**DEPARTMENT OF BUDGET AND FINANCE**

**STATE OF HAWAII**

**PUBLIC UTILITIES COMMISSION**

**UNIFORM SYSTEM OF ACCOUNTS FOR WATER CARRIERS**

**WATER CARRIERS**  
**BALANCE SHEET ACCOUNTS**

**ASSETS AND OTHER DEBITS**

**CURRENT ASSETS:**

- 100 Cash on Hand
- 105 Cash in Bank
- 110 Marketable Securities
- 130 Notes Receivable
- 150 Traffic Accounts Receivable
- 152 Claims Receivable
- 153 Deposits
- 154 Accounts Receivable, Miscellaneous
- 155 Accrued Accounts Receivable
- 1500 Allowance for Doubtful Notes and Accounts Receivable
- 170 Inventories
- 171 Vessels Stores, Supplies and Equipment Ashore
- 175 Other Shipping Inventories
- 190 Prepaid Current Insurance
- 192 Other Prepaid Current Expenses
- 199 Other Current Assets

**INVESTMENTS:**

- 315 Securities of Related Companies
- 328 Other Investments

PROPERTY AND EQUIPMENT:

- 331 Floating Equipment; Vessels
  - 3310 Allowance for Depreciation; Vessels
- 332 Other Floating Equipment
  - 3320 Allowance for Depreciation; Other Floating Equipment
- 333 Terminal Property and Equipment
  - 3330 Allowance for Depreciation; Terminal Property and Equipment
- 334 Other Shipping Property and Equipment
  - 3340 Allowance for Depr.; Other Shipping Property and Equipment
- 335 Construction Work in Progress

OTHER ASSETS:

- 362 Spare Parts
- 368 Other Assets

DEFERRED CHARGES AND PREPAID EXPENSES:

- 376 Unexpired Long-Term Insurance
- 384 Debt Discount and Expense
- 385 Leaseholds
- 386 Organization and Preoperating Expenses
- 389 Other Deferred Charges and Prepaid Expenses

LIABILITIES AND OTHER CREDITS

CURRENT LIABILITIES:

- 400 Notes Payable
- 401 Bank Loans
- 410 Insurance Notes

- 414 Other Short-Term Notes
- 415 Notes and Accounts Payable, Related Companies
- 420 Trade Accounts Payable
- 422 Traffic Accounts Payable
- 438 Dividends Payable
- 439 Miscellaneous Accounts Payable
- 440 Accrued Taxes Payable
- 459 Other Current Liabilities

LONG-TERM DEBT: (Due after one year)

- 500 Mortgage Bonds and Debentures
- 534 Other Long-Term Debt

DEFERRED CREDITS:

- 555 Deferred Income Taxes
- 556 Other Deferred Credits

OPERATING RESERVES:

- 570 Operating Reserves

STOCKHOLDERS' EQUITY:

- 581 Capital Stock (issued and outstanding)
- 585 Capital Stock Subscribed
- 587 Discount on Capital Stock
- 590 Paid-In Surplus
- 595 Retained Earnings, Appropriated
- 596 Retained Earnings, Unappropriated
- 599 Profit and Loss Summary

**WATER CARRIERS**

**INCOME ACCOUNTS**

**ACCOUNT NUMBER**

**REVENUES**

**600    OPERATING REVENUES**

- 610    Freight Revenues
- 615    Interstate Revenues
- 620    Passenger Revenues
- 630    Charter Revenues
- 640    Other Voyage Revenues
- 650    Revenue from Terminal Operations
- 660    Revenue from Cargo Handling Operations
- 670    Revenue from Other Shipping Operations
- 680    Agency Fees, Commissions and Brokerage Earned
- 690    Miscellaneous Revenues

**EXPENSES**

**700    TERMINAL EXPENSES**

- 701    Wages
- 702    Payroll Taxes
- 703    Contributions, Welfare Plans
- 704    Rents
- 705    Light and Power
- 706    Repairs
- 707    Outside Services
- 708    Insurance
- 709    Other Terminal Expenses

**720    CARGO HANDLING EXPENSES**

- 721    Wages
- 722    Payroll Taxes
- 723    Contributions, Welfare Plans
- 724    Fuel and Power
- 725    Repairs and Maintenance
- 726    Other Cargo Handling Expenses

730    MAINTENANCE DEPARTMENT EXPENSE

- 731    Wages
- 732    Payroll Taxes
- 733    Contributions, Welfare Plans
- 734    Repair and Maintenance
- 735    Rents
- 736    Miscellaneous Other Maintenance Department Expenses

740    VOYAGE EXPENSES

- 741    Wages
- 742    Payroll Taxes
- 743    Contributions, Welfare Plans
- 744    Subsistence
- 745    Store, Supplies and Equipment
- 746    Other Maintenance Expense
- 747    Fuel
- 748    Repairs
- 749    Insurance, Hull and Machinery
- 750    Insurance, Other
- 751    Charter Hire
- 752    Other Vessel Expenses
- 753    Wharfage and Dockage
- 754    Freight Brokerage
- 755    Passenger Brokerage
- 756    Tug Expenses
- 760    Other Voyage Expenses

770    ADMINISTRATIVE AND GENERAL EXPENSES

- 771    Salaries of Officers
- 772    Other Administrative and General Salaries
- 773    Payroll Taxes
- 774    Contributions, Welfare plans
- 775    Legal and Accounting
- 776    Communication Expenses
- 777    Office Supplies, Stationery and Printing
- 778    Rent, Light and Power
- 779    Membership Dues and Subscriptions
- 780    Entertainment
- 781    Traveling Expenses
- 782    Insurance
- 783    Pensions and Relief
- 784    Postage
- 786    Advertising
- 787    Maintenance of Office Building and Equipment
- 788    Allocated Expenses
- 790    Miscellaneous

800 TAXES OTHER THAN INCOME TAXES

- 801 Gross Income Tax
- 802 Real Property Tax
- 803 Public Service Company Tax
- 804 Public Utility Commission Fee
- 805 Other Taxes

850 DEPRECIATION AND AMORTIZATION

- 851 Depreciation; Floating Equipment Vessels
- 852 Depreciation; Other Floating Equipment
- 853 Depreciation; Terminal Property and Equipment
- 854 Depreciation; Other Shipping Property and Equipment
- 860 Amortization; Leasehold

900 OTHER INCOME

- 910 Interest Income
- 920 Dividend Income
- 930 Miscellaneous Other Income

940 OTHER DEDUCTIONS FROM INCOME

- 941 Interest Expense
- 951 Amortization of Debt Discount and Expense
- 952 Miscellaneous Amortization Expense
- 953 Doubtful Notes and Accounts Receivable
- 954 Miscellaneous Deductions from Income

960 INCOME TAXES

- 961 Federal Income Taxes
- 962 State Income Taxes
- 965 Provision for Deferred Federal Income Taxes
- 966 Provision for Deferred State Income Taxes

EXTRAORDINARY AND PRIOR PERIOD ITEMS

- 970 Extraordinary Items
- 971 Prior Period Items
- 972 Federal and State Income Taxes on Extraordinary and Prior Period Items

## **CHART OF ACCOUNTS**

### **WATER CARRIERS**

#### **ASSETS**

##### **CURRENT ASSETS:**

- 100 Cash on Hand – This account shall include cash funds maintained at fixed amounts to be used in making change or in the nature of revolving funds for minor disbursements requiring immediate payment, the funds being regularly reimbursed from the general cash. Subsidiary accounts shall be maintained by agents or employees.
- 105 Cash in Bank – This account shall include all cash on deposit in banks and available for general purposes. A separate account shall be maintained for each bank account.
- 110 Marketable Securities – This account shall include all securities that are of a readily salable nature and which are intended for use as a backlog for cash.
- 130 Notes Receivable – This account shall include the amount of all collectible obligations in the form of notes receivable.
- 150 Traffic Accounts Receivable – This account shall include accounts receivable from shippers, consignees, connecting carriers and others arising incident to the carriage of passengers, excess baggage, freight and mail. Subsidiary accounts shall be maintained by individual debtors.
- 152 Claims Receivable – This account shall include claims pending, including insurance claims which have been compiled and presented to underwriters for payment and other adjusted claims collectible within one year. Subsidiary accounts shall be maintained in the names of the insurance underwriters or adjusters, connecting carriers and others.
- 153 Deposits – This account shall include all company deposits made for barrels, skips and other items used on a temporary basis.
- 154 Accounts Receivable, Miscellaneous – This account shall include all accounts receivable for which no other account is specifically provided and all amounts receivable from officers and employees which are collectible in the ordinary course of business within one year. Subsidiary accounts shall be maintained by names of debtors.



- 155 Accrued Accounts Receivable – This account shall include monthly or other periodical accruals of unmatured receivables, including interest, rentals, dividends, charter hire and all other unaudited current items receivable accrued to the date of the balance sheet.
- 1500 Allowance for Doubtful Accounts – This account shall be credited at the close of each accounting period with the amount charged to Account 953 “Allowance for Doubtful Accounts” to provide for estimated uncollectible notes and accounts.
- 170 Inventories – This account shall include the cost, less trade discounts of all unissued and unapplied materials, articles in process of manufacture by the carrier, fuel, tools, stationery and other stores and supplies, but excluding fuel, stores and supplies on board vessels, and spare parts includible in Account 362 “Spare Parts.” The costs chargeable to this account are the actual costs of the material and supplies at point of free delivery, plus custom duties, sales and other taxes, insurance, inspection, special tests, loading and unloading, and transportation charges paid for transporting the material from the free point of delivery to the carrier’s line. No charge shall be made to this account for the cost of transporting material and supplies when performed by the carrier. An annual inventory of material and supplies shall be taken and the necessary adjustments made to bring this account into harmony with actual inventory balance. In effecting such adjustments, determined differences for important classes of material shall be equitably assigned among the accounts to which such classes are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts.
- 171 Vessels Stores, Supplies and Equipment Ashore – This account shall include the cost of all stores, supplies and equipment held for delivery to vessels at some future date, including quantity purchases warehoused and delivered to vessels as required. Subsidiary accounts shall be so maintained as to show location and type of inventories.
- 175 Other Shipping Inventories – This account shall include the cost of all stores, supplies and equipment held for use in the conduct of the shipping business and its auxiliaries, such as terminal, cargo handling, tug and lighters and other incidental shipping operations for which no other account is specifically provided. Subsidiary accounts shall be so maintained as to show location and type of inventories.

- 190 Prepaid Current Insurance – This account shall include the unexpired amount of insurance premiums prepaid or recorded as a liability in advance of payment, but only to the extent that such premiums apply to the period within one year of the date of the balance sheet and are properly chargeable within that period to accounts for insurance expense. This account shall be subdivided to show separately prepayments on the several classes of insurance.
- 192 Other Prepaid Current Expenses – This account shall include the amount of prepaid current expenses, such as interest, taxes, rentals, advertising, charter hire and similar expenses not otherwise specifically provided for, but only to the extent that such prepayments apply to the period within one year from the date of the balance sheet and are properly chargeable within that period to accounts appropriate for such expenses. Minor items may be charged directly to the appropriate expense accounts.
- 199 Other Current Assets – This account shall include the amount of assets of a current nature not includible in any of the foregoing current asset accounts. Subsidiary accounts shall be maintained so as to show separately each class of other current assets.

#### PROPERTY AND EQUIPMENT

- 331 Floating Equipment; Vessels – This account shall include the cost of construction or acquisition, including additions and betterments, of vessels such as tugs and of appurtenances, furniture and fixtures necessary to equip them for service, including inspection, trial runs and tests. Subsidiary accounts shall be maintained in such manner as to show by vessels the original cost to the carrier and cost of additions and betterments.
- 3310 Allowance for Depreciation; Vessels – This account shall be credited with all depreciation on vessels charged to Account 851 “Depreciation – Floating Equipment; Vessels.” Subsidiary accounts shall be maintained by vessels.
- 332 Other Floating Equipment – This account shall include the cost of construction or acquisition, including additions and betterments of other floating equipment, such as scows, launches, lighters, floating cranes, etc., and of appurtenances, furniture and fixtures necessary to equip them for service, including inspection, trial runs and tests. Subsidiary accounts shall be maintained in such manner as to show the foregoing information by the various kinds of other floating equipment.
- 3320 Allowance for Depreciation; Other Floating Equipment – This account shall be credited with all depreciation charged to Account 852 “Depreciation Other Floating Equipment.” Subsidiary accounts

shall be maintained in the same manner as the corresponding accounts supporting Account 332.

- 333 Terminal Property and Equipment – This account shall include the cost of construction or acquisition, including additions and betterments, of terminal, land, buildings (including improvements to property under long-term lease), shore cranes, trucks, furniture and fixtures and other terminal gear and equipment. Subsidiary accounts shall be subdivided as between the various kinds of property and equipment and shall be maintained in such manner as to show location, original cost, and cost of additions and betterments.
- 3330 Allowance for Depreciation; Terminal Property and Equipment – This account shall be credited with all depreciation on terminal property and equipment which is charged to Account 853 “Depreciation – Terminal Property and Equipment.” Subsidiary accounts shall be maintained in the same manner as the corresponding accounts supporting Account 333.
- 334 Other Shipping Property and Equipment – This account shall include the cost of additions and betterments of land and buildings, furniture and fixtures, stevedoring and other cargo handling gear, repair yards, highway vehicles and any other property and equipment used exclusively in shipping and auxiliary operations which are not applicable to Accounts 331, 332 and 333. Subsidiary accounts shall be subdivided as between the various kinds of property and equipment and maintained in such manner as to show location, original cost, and cost of additions and betterments.
- 3340 Allowance for Depreciation; Other Shipping Property and Equipment – This account shall be credited with all depreciation on other shipping property and equipment (as described in Account 334) which is charged to Account 854 “Depreciation – Other Shipping Property and Equipment.” Subsidiary accounts shall be maintained in the same manner as the corresponding accounts supporting Account 334.
- 335 Construction Work in Progress – This account shall be charged with all payments incident to the costs on vessels or other transportation property in process of construction which can be capitalized in accordance with sound accounting procedure. Subsidiary accounts shall be subdivided as between the various kinds of construction and maintained in such manner as to show

type of construction and location. When the construction is completed, the cost thereof shall be credited to this account and charged to the appropriate property accounts.

#### OTHER ASSETS

- 362 Spare Parts – This account shall include the acquisition cost (or other applicable acquisition base) of shore side reserve spare parts and spare equipment acquired as stand-by equipment, such as propellers, propeller blades, tail shafts, pumps, rudders, hoisting engines, generators, rotors, anchors, etc., held for future installation on vessels of the carrier, the individual minimum gross book value of which is not less than \$1,000.
- 368 Other Assets – This account shall include all assets not provided for in other accounts.

#### DEFERRED CHARGES AND PREPAID EXPENSES

- 376 Unexpired Long-Term Insurance – This account shall include the amount of unexpired insurance premiums prepaid or recorded as a liability in advance of payment, but only to the extent that such premiums apply to a period more than one year following the date of the balance sheet. The proportions of the same premium payments properly chargeable to expenses prior to such period are provided for in Account 190 "Prepaid Current Insurance." This account shall be subdivided to show separately prepayments on the several classes of insurance.
- 384 Debt Discount and Expense – This account shall include all discount and expense for all classes of funded debt. The debt discount and expense shall be amortized periodically over the respective lives of the securities by a charge to Account 951 "Amortization --Debt Discount and Expense." When an issue of funded debt, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized discount and expense relating to such issue, such balance, together with any premium paid in retiring such issue, shall be charged to Account 954 "Miscellaneous Deductions from Income" or to Account 970 "Extraordinary Items," as may be appropriate, in accordance with the texts of these accounts.
- 385 Leaseholds – This account shall include the unamortized balance of the cost of acquiring long-term leases including rental applicable to future periods paid in advance and the cost of alterations thereto and fixtures installed in leased property. This account should not include buildings erected on land under long-term lease or improvements thereto which shall be carried in appropriate property accounts. Amounts included in this account shall be amortized

through such periodic charges to Account 860 "Amortization – Leasehold," as may be necessary for equitable cost distribution.

- 386 Organization and Preoperating Expenses – This account shall include the unamortized balance of expenses incurred in the formation and development of the business. The balance of this account shall be amortized by annual charges to Account 952 "Miscellaneous Amortization Expense."
- 389 Other Deferred Charges and Prepaid Expenses – This account shall include the amount of prepaid expenses such as interest, taxes, rentals, advertising, charter hire and similar expenses not otherwise specifically provided for, but only to the extent that such prepayments apply to a period more than one year following the date of the balance sheet. Minor items and nominal payments covering such expenses may be charged directly to the appropriate expense accounts, even though they relate to periods in excess of one year.

## LIABILITIES

### CURRENT LIABILITIES

- 400 Notes Payable – This account shall include the face value of notes, drafts and other evidences of indebtedness issued or assumed by the carrier which are payable on demand or within one year from date of issue. This account shall be subdivided as set forth in 401, 410, 414, and 415.
- 401 Bank Loans – Subsidiary accounts shall be subdivided to show separately (a) amounts secured and (b) amounts unsecured.
- 410 Insurance Notes – This account shall include the face amount of notes issued by the company to cover deferred payments of insurance premiums.
- 414 Other Short-Term Notes – This account shall include notes payable within one year from date of issue, for which no other account is specifically provided, but excluding notes issued to related companies. This account shall be maintained to show (a) notes secured and (b) notes unsecured.
- 415 Notes and Accounts Payable, Related Companies – This account shall include amounts payable to related companies which are subject to current settlement, such as credit balances in open accounts for services rendered, materials furnished, traffic and

interline accounts, claims, rents and for interest, dividends, loans, notes and drafts.

- 420 Trade Accounts Payable – This account shall include all liabilities currently due to trade creditors for services rendered and supplies furnished in the general conduct of the business.
- 422 Traffic Accounts Payable – This account shall include exchange orders and other amounts due connecting carriers, freight and passenger brokerage amounts due for hotel reservations and sightseeing tours, custodian funds payable such as taxes, advances, and transshipping charges and claims payable, but excluding amounts due related companies.
- 438 Dividends Payable – This account shall include the amount of dividends declared on actually outstanding capital stock, unpaid at the date of the balance sheet.
- 439 Miscellaneous Accounts Payable – This account shall include all current accounts payable to other than related companies, including unclaimed wages, taxes withheld or collected from others for the account of taxing agencies and other items which no other account is specifically provided.
- 440 Accrued Taxes Payable – This account shall include the accruals of all taxes payable. Subsidiary accounts shall be maintained to reflect: (1) Federal Income Taxes; (2) Federal Insurance Contributions Act Taxes; (3) Federal Unemployment Insurance Tax; (4) State Income Taxes; (5) State Gross Income Tax; (6) State Unemployment Insurance Tax; (7) State Public Service Company Tax; (8) State Public Utility Commission Fee and (9) Others. Taxes withheld or collected from others for the account of taxing agencies shall be included in Account 439 “Miscellaneous Accounts Payable.”
- 459 Other Current Liabilities – This account shall include all current liabilities for which no classification is provided elsewhere. Subsidiary accounts shall be maintained to show separately each class of current liability.

#### LONG-TERM DEBT

- 500 Mortgage Bonds and Debentures – This account shall include the face amount of bonds and debentures and shall be maintained to show full particulars in respect to each issue outstanding. Reacquired bonds and debentures shall be charged to this account at face amount.

- 534 Other Long-Term Debt – This account shall include all long-term obligations, excluding amounts due related companies, for which no other account has been specifically provided and shall be subdivided to show separately long-term obligations secured by capital assets and unsecured long-term debt.

#### DEFERRED CREDITS

- 555 Deferred Income Taxes – This account shall be credited with the portion of income taxes deferred to future years due to the use of accelerated depreciation or shorter service lives for income tax purposes. This account shall be maintained so that the amounts for federal income taxes and state income taxes are readily identifiable.
- 556 Other Deferred Credits – This account shall include all other deferred income and unadjusted credits.

#### OPERATING RESERVES

- 570 Operating Reserves – This account shall include all provisions for the equalization of operating expenses. Subsidiary accounts shall be maintained by the various classes of reserve arranged alphabetically or by other account units.

## STOCKHOLDERS' EQUITY

- 581 Capital Stock – This account shall include the par value or for stock without par value, the money value of the consideration received, in respect of capital stock or other form of proprietary interest in the carrier which has been issued to purchasers and has not been reacquired and cancelled. It shall include stock issued representing appropriations of surplus for stock dividends. When capital stock is retired, this account shall be charged with the book value at which such stock is recorded herein. Capital stock reacquired and held for resale or investment shall be charged to this account at a value equivalent to its book liability. The book value of nonpar stock reacquired shall be determined by a prorate of the amount recorded for shares of the particular subclass of stock of which the shares reacquired are a part actually outstanding immediately prior to acquisition. The credits hereto shall be divided as follows: (1) Preferred Stock (stock having a preference or priority in respect to dividend participation) and (2) Common Stock (stock entitled to a dividend, if any, after Preferred Stock). A separate record shall be kept for each subclass showing the number of shares authorized by the articles of incorporation and amendments, the number of shares issued, the number of shares reacquired, the number of shares cancelled, and the number of share outstanding and their book value.
- 585 Capital Stock Subscribed – This account shall include the amount of subscriptions to capital stock of the carrier. It shall be credited with the par value, or with the subscription price of stock without par value, exclusive of dividends, if any. Concurrently, Account 154 "Accounts Receivable – Miscellaneous" shall be debited with the agreed price and any discount or premium shall be included in the appropriate account. When properly executed stock certificates are issued, this account shall be debited and Account 581 "Capital Stock" credited.
- 587 Discount on Capital Stock – This account shall include the discount and commissions paid in connection with the sale of capital stock. Records supporting the entries to this account shall be maintained to show the discount and commissions on each class and series of capital stock. When capital stock is reacquired, the amount in this account with respect to the shares reacquired shall be credited hereto.
- 590 Paid-In Surplus – This account shall include the amount of capital donated or paid in as surplus (including premiums and assessments on capital stock) and also gains from reacquired or donated shares of capital stock, from forfeiture of subscriptions and from reduction of the par or recorded value of capital stock. This account shall be charged with amounts included capitalized by



stock dividends or otherwise; losses from retirement or resale of reacquired shares not exceeding the credit applicable ; and may be charged with discount, commissions and expense on capital stock to the extent of credits applicable.

- 595 Retained Earnings, Appropriated – Earnings appropriated for replacement of capital assets, debt retirement, contingencies and other funded reserve shall be credited to this account with a corresponding charge to Account 596 “Retained Earnings, Unappropriated.” Subsidiary accounts shall be maintained by classes of appropriations.
- 596 Retained Earnings, Unappropriated – All profits and losses shown in Account 599 “Profit and Loss Summary” at the end of the accounting year shall be recorded in this account. Any part of retained earnings appropriated for any purpose shall be charged to this account. This account shall include losses on resale of reacquired capital stock issued by the company but only to the extent that such charges exceed credit balances in capital surplus for shares reacquired. This account shall include other adjustments, net of assigned Federal Income Taxes, not provided for elsewhere.
- 599 Profit and Loss Summary – This account shall be used as a clearing account for income, costs and expenses to determine the net profit for the year.

## **CHART OF ACCOUNTS**

### **WATER CARRIERS**

#### **REVENUES**

##### **ACCOUNT NUMBER**

- 600 Operating Revenues – These accounts shall include all revenues from operations. Subsidiary accounts shall be maintained by ports according to the classification of revenues. Postings shall be subdivided as between revenues earned on outward, inward and intermediate legs of voyages.
- 610 Freight Revenues – This account shall include all revenues accruing from the transportation of freight based upon tariff rates, or in the absence of tariff provisions, on basis of contracts. It shall include revenues earned from the carriage of: (1) general cargo; (2) refrigerated cargo; (3) bulk cargo; (4) express; (5) heavy lift charges and (6) revenue from cargo charters (contracts). It will also include any surcharges on freight revenue. It shall be charged with refunds due to errors in routing or shipping freight; refunds and uncollectible charges on lost, damaged or destroyed freight shipments and with refunds of overcharges.
- 615 Interstate Revenues -
- 620 Passenger Revenues – This account shall include all revenues accruing from the transportation of passengers based upon tariff rates. It shall include the revenues from transportation of passengers, the rental of stateroom, berths or living accommodations and the furnishing of meals.
- 630 Charter Revenues – This account shall include all revenues from contracts for the charter of vessels to others when the amount receivable for charter is not directly related to and dependent upon the commodities and volume transported. The compensation is usually based upon daily or monthly hire of the vessel.
- 640 Other Voyage Revenues – This account shall include all revenues accruing from other services by and activities aboard vessels, not otherwise provided for, such as: advances; barber shop and other services to passengers

aboard vessels; concessions aboard vessels granted to others; demurrage and dispatch; excess baggage; parcel rooms aboard vessels; radio service aboard vessels; refrigeration aboard vessels; rent from steamer chairs and other equipment to passengers; sale of periodicals and newsstand supplies to passengers; sale of buffet and bar supplies to passengers; and transportation of animal pets and weighing and vending machines aboard vessels.

- 650 Revenues from Terminal Operations – This account shall include all revenues derived from the rental, lease or use by others of the carrier's terminal facilities, including dockage, wharfage, storage, use of doorways, lights, furnishing water, protective service refrigeration, precooling and similar service. Subsidiary accounts shall be maintained to show separately for each terminal the different kinds of revenues earned.
- 660 Revenues from Cargo Handling Operations – This account shall include all revenues derived from the performance by the carrier for others of stevedoring and other cargo handling services, such as checking, tallying, receiving, delivering, cooping, loading and discharging cargo; also use of gear, equipment, etc. Subsidiary accounts shall be maintained to show separately for each port the different kinds of services earning revenues.
- 670 Revenues from Other Shipping Operations – This account shall be credited with gross revenues derived from the performance of repairs and any other service or operations for others which are incidental to the shipping business and for which no other account is specifically provided. Subsidiary accounts shall be maintained to show separately for each port the different kinds of services earning revenues.
- 680 Agency Fees, Commissions and Brokerage Earned – This account shall include all revenues received from others covering gross agency fees, commissions and brokerage, less amounts paid to subagents therefrom. Subsidiary accounts shall be maintained by offices and postings shall show sources of earnings and classification thereof, such as agency fees, management and operating commissions,

freight brokerage, passenger brokerage and names of subagents in instances where such payments are charged to this account.

- 690 Miscellaneous Revenues – This account shall include all other revenues not provided for elsewhere.

## EXPENSES

### ACCOUNT NUMBER

- 700 Terminal Expenses – These accounts shall include the gross expenses incurred in the maintenance and operation of terminal facilities by the carrier such as salaries, wages (and related payroll taxes), rent, heat, light, power, repairs, dredging and insurance for its owned or operated vessels or for the vessels of others. Subsidiary accounts shall be maintained to show separately the principal classes of expense incurred in the operation of each terminal.
- 701 Wages – This account shall include the pay of terminal employees, including regular wages, emergency allowances, overtime, vacation pay and bonuses.
- 702 Payroll Taxes – This account shall include taxes computed on the basis of payroll such as Federal Insurance Contributions Act Taxes and unemployment taxes.
- 703 Contributions, Welfare Plans – This account shall include contributions to welfare and pension plans.
- 704 Rents – This account shall include rents payable for use of buildings and storage space for terminal operations.
- 705 Light and Power – This account shall include the cost of light and power for terminal operations.
- 706 Repairs – This account shall include the cost of repairing buildings and equipment used for terminal operations.
- 707 Outside Services – This account shall include the cost of outside services contracted for terminal operations.
- 708 Insurance – This account shall include premiums on insurance covering terminal operations.
- 709 Other Terminal Expenses – This account shall include all expenses of a general character for which no other account is provided.

720 Cargo Handling Expenses – These accounts shall include the gross expenses incurred in the performance by the carrier of stevedoring and other cargo handling services such as checking, tallying, delivering, watching, etc. (and related payroll taxes), for its owned or operated vessels or for the vessels of others. Subsidiary accounts shall be maintained to show separately the principal classes of expenses incurred in the performance of stevedoring and other cargo handling operations at each port.

721 Wages – This account shall include the pay of cargo handling employees for removing and handling cargo from the piles on the pier or in pier sheds, or from cars, barges, lighter, scows or booms alongside and stowing the same in or on any part of the vessel and for discharging cargo from any part of the vessel onto the pier or into pier sheds or into or on cars, barges, lighters, scows or booms alongside the vessel and piling to same on the pier or in pier sheds.

722 Payroll Taxes – This account shall include taxes computed on the basis of payroll such as Federal Insurance Contributions Act Taxes and unemployment taxes.

723 Contributions, Welfare Plans – This account shall include contributions to welfare and pensions plans.

724 Fuel and Power – This account shall include the cost of fuel and power for cargo handling operations.

725 Repairs and Maintenance – This account shall include the cost of repairs and maintenance of buildings and equipment used in cargo handling operations.

726 Other Cargo Handling Expenses – This account shall include all expenses of a general character for which no other account is provided.

730 Maintenance Department Expenses – These accounts shall be charged with all the costs incurred to operate the Maintenance Department. The Maintenance Department costs shall include labor and fringes, repairs and maintenance incurred by the Maintenance Department to repair its own equipment, operating supplies, safety, small tools, equipment and premise rental, laundry expenses incurred for cleaning of coveralls, and other miscellaneous expenses. This account shall be subdivided as follows:

731 Wages

732 Payroll Taxes

733 Contributions, Welfare Plans

- 734 Repair and Maintenance
- 735 Rents
- 736 Miscellaneous Other Maintenance Department Expenses
- 740 Voyage Expenses – These accounts shall be charged with all expenses of voyages. Subsidiary accounts shall be maintained by vessels. This account shall be subdivided according to the classifications of expenses.
  - 741 Wages – This account shall include the pay of masters, officers, pursers, radio operators and other members of crews on vessels, including regular wages, emergency allowances, overtime, vacation pay and bonuses.
  - 742 Payroll Taxes – This account shall include taxes computed on the basis of payroll such as Federal Insurance Contributions Act Taxes and unemployment taxes.
  - 743 Contributions, Welfare Plans – This account shall include contributions to welfare and pension plans.
  - 744 Subsistence – This account shall include the cost (including sales taxes and delivery and inspection charges thereon) of all edibles purchased for consumption by passengers, officers and crews of vessels. This account shall also include board and room allowances to officers and crews in lieu of subsistence and lodging aboard vessels.
  - 745 Store, Supplies and Equipment – This account shall include the cost (and related sales taxes) of all consumable stores and supplies and expendable equipment purchased for consumption by passengers, officers and crews of vessels. The term “expendable equipment” includes all tools, utensils, instruments, small machinery, strainers, burner parts, valve parts and paraphernalia of a portable or removable nature, as distinguished from “permanent equipment” fastened to the vessel or installed as an integral thereof and spares required. The cost of such permanent equipment and spares shall be included in Account 748 “Repairs.”
  - 746 Other Maintenance Expense – This account shall include such expenses as laundry and pressing services; wages of shoregang labor for cleaning, painting, scraping or other vessel-upkeep services usually performed by the crew; inspection service charges; and the cost of maintaining expendable equipment, such as adjustment of compasses, rating chronometers, mending linens, upholstering chairs, etc.

- 747 Fuel – This account shall include the cost of fuel oil and of services and facilities incident to delivery, inspection and trimming thereof.
- 748 Repairs – This account shall include the cost incident to repairs (not recoverable from insurance) directly attributable to replacement by duplication of or restoration to satisfactory condition of, damaged or worn parts of vessels, including the purchase of permanent equipment and spares required. The cost of repairing or servicing expendable equipment shall be included in Account 746 “Other Maintenance Expense.” In instances where reserves are maintained by the carrier to equalize repair expenses, this account shall also include the reserve provision and the unexpended or debit balance of the repair reserve applicable to the period covered by this report in excess of the amount reserved for uncompleted repairs, if it is the practice of the carrier to close balances at the end of each accounting period.
- 749 Insurance, Hull and Machinery – This account shall include the premiums of full navigating, total loss (including disbursements and/or earnings), war-risk and port-risk insurance coverage; provisions for deductible average losses, in instances where reserves are maintained by the carrier to equalize such losses; and the unexpended or debit balances of reserves for deductible average losses applicable to the period, in excess of the amount reserved for pending claims, if it is the practice of the carrier to close such balances at the end of each accounting period.
- 750 Insurance, Other – This account shall include the premiums on all classes of marine-risk coverage carried by the carrier which are not properly allocable to Account 749 “Insurance, Hull and Machinery.”
- 751 Charter Hire – This account shall include the cost of hiring vessels from others under bareboat, time trip or other forms of charter.
- 752 Other Vessel Expenses – This account shall include all miscellaneous expenses directly incident to the management and maintenance of vessels which are not properly chargeable to other accounts classification, such as: bill of health; crew transportation and cost of securing; dispatch; emblems and stock marks; fresh water; garbage service; inventory expense; launch hire; lights furnished from shore;

expenses of masters; medical examinations of ship personnel; expenses of pursers; payroll insurance; rental of radio equipment; seaworthy certificate steam for winches and taxi hire.

- 753 Wharfage and Dockage – This account shall include the cost of terminal facilities furnished vessels of the carrier such as dockage, wharfage, storage, use of doorways, lights, etc.
- 754 Freight Brokerage – This account shall include commissions to brokers for procuring cargo.
- 755 Passenger Brokerage – This account shall include commissions to brokers and booking agencies for procuring business.
- 756 Tug Expenses – This account shall include charges incurred for tug services and shall be subdivided to show the charges incurred by ports.
- 760 Other Voyage Expenses – This account shall include all miscellaneous expenses incident to traffic operations and conduct of voyages which are not properly chargeable to other account classifications, such as arrival notices, ballast expense, bank commission, cargo plans, communication expenses, including radio dispatches and telephone tolls, demurrage, postage, reporting vessels, stowage plans and transshipment cargo for vessel's convenience.
- 770 Administrative and General Expenses – These accounts shall include all administrative and general expenses incurred in the operation of the business for which no other specific account is provided. Subsidiary accounts shall be maintained separately by offices. These accounts shall be subdivided according to the classification of expenses.
  - 771 Salaries of Officers – This account shall include the compensation of officers and directors, including fees of receivers and trustees and commissions in lieu of salaries.
  - 772 Other Administrative and General Salaries – This account shall include the salaries or wages of all administrative employees except officers and directors.
  - 773 Payroll Taxes – This account shall include taxes computed on the basis of payroll such as Federal Insurance Contributions Act Taxes and unemployment taxes for salaries included in Accounts 771 and 772.



- 774 Contributions, Welfare Plans – This account shall include contributions to welfare and pension plans for salaries included in Accounts 771 and 772.
- 775 Legal and Accounting – This account shall include fees, retainers and other expenses for outside professional services of attorneys, auditors, accountants and others not on the carrier's payroll, including cost of law books, legal forms, testimony, notarial and witness fees, law and court expenses and audit reports of investigations and lawsuits.
- 776 Communication Expenses – This account shall include the cost of telephone, radio, teletype and all other communication services.
- 777 Office Supplies, Stationery and Printing – This account shall include the cost of office supplies and of stationery and printing used in general offices, including the cost of printing annual reports, contracts, leases, passes and tariffs.
- 778 Rent, Light and Power – This account shall include the cost of lights, power, water and air conditioning; also rents payable for use of buildings, general offices and storage space.
- 779 Membership Dues and Subscriptions – This account shall include membership dues and fees in associations and subscriptions to periodicals and newspapers.
- 780 Entertainment – This account shall include expenses of canvassing and solicitation in connection with the procurement of traffic and all entertaining expenses.
- 781 Traveling Expenses – This account shall include all traveling expenses of officers and employees on official business of the company.
- 782 Insurance – This account shall include premiums on insurance such as burglary, theft, robbery, etc., and premiums on fidelity bonds on officers and employees.
- 783 Pensions and Relief – This account shall include pensions and gratuities paid to retired employees or heirs of employees, and expenses in connection therewith; also cost of life and benefit insurance on employees. A carrier may account for pensions on an accrual basis when funded under an established retirement plan whereby it definitely agrees to pay pensions to its retired employees. No charge shall be

made to this account in anticipation of discretionary pension payments in the future.

- 784 Postage – This account shall include the cost of postage for mailing official business, including parcel post and registered mail, not provided for elsewhere.
- 786 Advertising – This account shall be charged with the cost of all freight, passenger and other advertising.
- 787 Maintenance of Office Building and Equipment – This account shall include the cost of repairing general office buildings and equipment, furniture and machines. It shall include the rental of tabulating machines and other office equipment.
- 788 Allocated Expenses – This account shall include all expenses or fees which are allocated from affiliated or related companies for administrative or general expenses. The account shall be subdivided to show the amounts charge or allocated from different related companies.
- 790 Miscellaneous – This account shall include all expenses of a general character for which no other account is provided, such as: clipping service; credit investigations; office cleaning service; publishing notices to stockholders' meetings; registrar and transfer agent's fees; rent of safe deposit boxes; towel service and watchman service.
- 800 Taxes Other Than Income Taxes – These accounts shall include all taxes other than Federal and State Income Taxes, sales taxes and taxes computed on basis of payrolls, such as Federal Insurance Contributions Act Taxes and unemployment taxes. Sales taxes and taxes assessed against carriers for electrical energy, telegraph, telephone, radio, cables, checks, rental and safe deposit boxes, motor vehicle licenses, etc., shall be included in the respective accounts to which the cost of the material or services is charged. Social security taxes and other payroll related taxes are to be included in the respective accounts to which the payrolls are charged. These accounts shall be subdivided as follows:
  - 801 Gross Income Tax
  - 802 Real Property Tax
  - 803 Public Service Company Tax

804 Public Utility Commission Fee

805 Other Taxes

850 Depreciation and Amortization – These accounts shall include all accruals applicable to the accounting period for depreciation of all shipping property and equipment operated in transportation service by the carrier which is subject to depreciation accounting.

851 Depreciation; Floating Equipment Vessels – This account shall include the accrual of depreciation of vessels such as tugs owned by the carrier with a corresponding credit to Account 3310 “Allowance for Depreciation – Vessels.”

852 Depreciation; Other Floating Equipment – This account shall include the accrual of depreciation of lighters, barges, scows, launches, floating cranes and similar floating equipment, with corresponding credit to Account 3320 “Allowance for Depreciation – Other Floating Equipment.”

853 Depreciation; Terminal Property and Equipment – This account shall include the accrual of depreciation of terminal buildings, shore cranes, trucks, furniture and fixtures and other terminal gear and equipment with a corresponding credit to Account 3330 “Allowance for Depreciation – Terminal Property and Equipment.”

854 Depreciation; Other Shipping Property and Equipment – This account shall include the accrual of depreciation of property and equipment incident to shipping and its auxiliary operations for which no other account has been specifically provided, including stevedoring and other cargo handling gear and equipment, repair yards and equipment and highway vehicles, with corresponding credit to Account 3340 “Allowance for Depreciation – Other Shipping Property and Equipment.”

860 Amortization; Leasehold – This account shall include the amortization of cost of acquiring long-term leases and the cost of alterations to and fixtures installed in leased property, with a corresponding credit to Account 385 “Leaseholds.”

900 Other Income

- 910 Interest Income – This account shall be credited with all interest accrued. If it is the practice of the carrier to adjust such interest to yield basis, this account shall be charged with amortization of any premium and shall be credited with accumulation of any discount in securities at the time of accrual or collection of interest thereon. Interest shall not be credited before actual collection unless its payment is reasonably assured by past experience, guaranty, anticipated provisions or otherwise. This account shall be subdivided to show the various sources of interest earned.
- 920 Dividend Income – This account shall be credited with all dividends received. Dividends may be credited prior to actual collection if their payment is reasonably assured by past experience, guaranty, anticipated provisions or otherwise. This account shall not include dividends on the carrier's own capital stock.
- 930 Miscellaneous Other Income – This account shall include all income not provided for elsewhere, such as: cash discounts; profit from sale of securities and profit from company bonds reacquired.

940 Other Deductions

- 941 Interest Expense – This account shall include all interest expense accrued. This account shall be subdivided to show the interest or the different types of obligations of the company.
- 951 Amortization of Debt Discount and Expense – This account shall include debt discount and expense on funded debt as is transferred from Account 384 "Debt Discount and Expense."
- 952 Miscellaneous Amortization Expense – Amortization of any deferred charges for which no other account is specifically provided shall be included in this account.
- 953 Allowance for Doubtful Accounts – This account shall be charged with provisions for allowance against all notes and accounts receivable considered doubtful of collection.
- 954 Miscellaneous Other Deductions – This account shall include amounts properly chargeable to income, not provided for

elsewhere, such as: calls for bids in accordance with provision of mortgages; cost of advertising bonds drawn for redemption; premium on bonds to assure performance on contracts when chargeable to income; taxes on interest on funded debt payable at source under tax-free covenants; current expenses of maintaining and administering trusts, trustees' commissions and fees for paying bond interest on coupons and expenses connected with such payments; loss on sale of shipping and nonshipping property and equipment; loss on sale of securities and charges to write down the book value of securities because of impairment in their value and loss on company bonds reacquired. When the loss from sale of property and equipment, or securities, or from write down of securities because of impairment in value, or reacquisition of the company's own bonds is of an amount sufficiently large to constitute an extraordinary item, such loss shall be charged to Account 970 "Extraordinary Items."

960 Income Taxes

- 961 Federal Income Taxes – This account shall be charged with accrued provision for Federal Income Taxes applicable to ordinary income of the accounting year. Income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs, or, if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item, it shall be included in Account 971 "Prior Period Items."
- 962 State Income Taxes – This account shall be charged with accrued provision for State Income Taxes applicable to ordinary income of the accounting year. Income taxes which are refundable or reduced as the result of carry-back or carry-forward of operating loss shall be credited to this account, if a carry-back, in the year in which the loss occurs, or, if a carry-forward, in the year in which such loss is applied to reduce taxes. However, when the amount constitutes an extraordinary item, it shall be included in Account 971 "Prior Period Items."
- 965 Provision for Deferred Federal Income Taxes – This account shall be debited or credited with the amounts of deferred Federal Income Taxes arising out of the use of accelerated depreciation for tax treatment over book account purposes.
- 966 Provision for Deferred State Income Taxes – This account shall be debited or credited with the amounts of deferred

State Income Taxes arising out of the use of accelerated depreciation for tax treatment over book accounting purposes.

#### EXTRAORDINARY AND PRIOR PERIOD ITEMS

- 970 Extraordinary Items – This account shall include extraordinary items accounted for during the current accounting year. Among the items which shall be included in the account are: net gain or loss on sale of shipping property and equipment; net gain or loss on sale of securities and charges to write down the book value of such securities because of impairment of value; net gain or loss on reacquisition of company bonds and change in application of accounting principles. This account shall be maintained to show the nature and gross amount of each debit and credit, together with the applicable year and vessel name.
- 971 Prior Period Items – This account shall include unusual delayed items accounted for during the current accounting year. Among the items which shall be included in this account are: unusual adjustments, refunds or assessments of Federal Income Taxes of prior years and similar items representing transactions of prior years which are not identifiable with or do not result from business operations of the current year. This account shall be maintained to show the nature and gross amount of each debit and credit, together with the applicable year and vessel name.
- 972 Federal and State Income Taxes on Extraordinary and Prior Period Items – This account shall include the estimated Federal and State Income Taxes (debit or credit) assignable to the aggregate of items which are for accounting purposes, classified as unusual and extraordinary and are recorded in Accounts 970 “Extraordinary Items” and 971 “Prior Period Items.”